



IRISH LIFE INVESTMENT MANAGERS (ILIM)

The week that was – WEEK 32 (ending 07/08/2015)

“Where all think alike, no one thinks very much.” - Walter Lippman

Irish manufacturing jump in July – The seasonally adjusted Investec Purchasing Managers' Index (PMI) - an indicator designed to provide a single-figure measure of the health of the manufacturing industry - rose to 56.7 in July from 54.6 in June to signal a further marked strengthening of business conditions in Ireland.

Oil Prices Near Six-Year Lows – Oil prices have slid since the end of June as a result of high levels of crude production in the U.S. and other major suppliers, worries about weaker Chinese consumption and a strong dollar. Oil prices last hit six-year lows in March, when prices had fallen nearly 60% in nine months.

Greece PMI figure hits lowest level ever on record – The Greece Manufacturing Purchasing Managers' Index (PMI) - a single-figure measure of overall business conditions - registered 30.2, well below the neutral 50.0 mark and its lowest on record. Factory employment in July also had its steepest fall ever recorded.

U.S. jobs report boosts case for Fed rate rise – The U.S. Labor Department reported on Friday that Nonfarm payrolls increased 215,000 last month which increases the chances of an early interest rate rise. The unemployment rate held at a seven-year low of 5.3%, led by a pickup in construction and manufacturing jobs.

U.K. interest rate rise outlook pushed out – The market's timing expectation for a rise in U.K. interest rates has been pushed out to early Q2 2016, as the Bank of England MPC (Monetary Policy Committee) voted 8/1 to keep interest rates on hold. This was a larger vote in favour of the rates status quo than was expected.

IMF says Russian GDP could shrink 9% because of sanctions – The International Monetary Fund said that Western sanctions in response to intervention in Ukraine could reduce Russia's gross domestic product by 9% during coming years. Low prices for oil exports have also hit the rouble and government finances.

The Story of the week: Simon Prentis, of the Gull Awareness Group in the U.K., has launched a petition urging the Government to fund research into the problem of the seaside birds, which have recently killed several pets including a dog and a tortoise. In Fenit, Co Kerry, a swimmer reportedly needed tetanus shots after being attacked by a seagull.

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Index Performances and Market Data*

Equity Markets (%)	2010	2011	2012	2013	2014	2015 YTD (to 07/08)
ISEQ	-3.0	0.6	14.7	35.8	16.8	28.5
FTSE 100	9.0	-5.6	6.0	18.7	0.7	4.6
Euro Stoxx 50	-0.1	-17.7	13.4	21.5	4.0	18.0
S&P 500	12.8	0.0	12.4	32.4	13.7	2.1
Nasdaq	16.9	-1.8	14.1	36.9	14.8	6.5
Nikkei	-3.0	-17.3	16.24	59.4	7.1	18.8
MSCI Emerging Markets	16.4	-20.4	13.8	-2.3	5.6	-1.9
MSCI World	17.2	-7.62	12.1	26.3	10.4	4.8
Sovereign 10yr Bond Yields (%)	2010	2011	2012	2013	2014	2015 YTD
US	3.3	1.9	1.7	3.0	2.2	2.2
German	3.0	1.8	1.4	1.9	0.5	0.7
UK	3.4	2.0	1.9	3.0	1.9	1.9
Japan	1.1	1.0	0.7	0.7	0.3	0.4
Ireland	9.1	8.4	4.5	3.4	1.3	1.2
Italy	4.8	7.1	4.6	4.1	2.1	1.8
Greece	12.5	31.7	12.7	8.2	9.6	11.4
Portugal	6.6	13.4	6.9	6.1	2.7	2.4
Spain	5.5	5.1	5.4	4.1	1.6	2.0
Central Bank Rates (%)	2010	2011	2012	2013	2014	2015 YTD
ECB	1	1	0.75	0.25	0.05	0.05
Bank of England	0.5	0.5	0.5	0.25	0.50	0.50
US Federal Reserve	0.25	0.25	0.25	0.25	0.25	0.25
Foreign Exchange Rates	2010	2011	2012	2013	2014	2015 YTD
Euro/Dollar (€/\$)	1.34	1.30	1.31	1.37	1.21	1.10
Euro/Sterling (€/£)	0.86	0.83	0.81	0.83	0.78	0.71
Sterling/Dollar (£/\$)	1.56	1.55	1.61	1.65	1.56	1.55
IPD All Property Return (%)	2010	2011	2012	2013	2014	2015 YTD
Ireland	-2.4	-2.4	3.1	12.7	40.1	4.3 (Q 1)
UK	14.5	8.1	2.7	10.7	17.8	2.9 (Q 1)
US	14.8	14.5	5.3	11.4	11.2	3.1 (Q 1)

*Past performance is not a reliable guide to future performance